Enquiry into Bank's operation in Noida

3459. SHRI GURUDAS DAS GUPTA:
SHRI N.E. BALARAM:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news item captioned "NOIDA" Bank of India's writ runs large" that appeared in the Indian Express of the 29th Februrary, 1992;

(b) if so, whether any inquiry has been made into the allegations against the Bank Manager and the staff of the said Bank; and

(c) if so, what are the details of the findings thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir.

(b) and (c): Bank of India have reported that its NOIDA branch has been opening accounts regularly and had opened 744 accounts during the last 8 months. The bank have therefore refuted the allegation in the news item that the branch is warding off persons wanting to open accounts. As regards the closure of the current account of Shri Raj Kumar Gupta mentioned in the news item, the bank have indicated that the same was closed on 24th February, 1992 after serving two notices on him and as per the laid down procedures. The bank have also denied the allegation regarding mis behaviour with the customers of the branch by the Manager/Staff Members of the branch.

Timely release of funds to Small Scale Industry units

3460. SHRI GURUDAS DAS GUPTA:
SHRI N.E. BALARAM:

Will the Minister of FINANCE be pleased to state:

(a) wether Government are aware that majority of the Small Scale Industrial units started under the Self-employment Scheme are becoming sick and their owners are facing recovery;

(b) if so, whether it is a fact that in most of these cases the negative attitude of the banks and corruption in releasing the sanctioned funds in time has been the main reasons; and

(c) if so, what action is proposed to be taken to ensure the timely release of funds to the promoters of Small Scale Industrial Units?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) The Scheme for providing Self Employment to the Educated Unemployed Youth (SEEUY) is administered by Development Commissioner, Small Scale Industries in the Ministry of Industry, and was evaluated by them. The evaluation studies carried out in 15 States/Union Territories covering 55 districts revealed that two thirds of the units were found working and one third of the units were closed due to financial problems, marketing problems etc.

(b) and (c). After identification of the beneficiaries and subject to their projects being found feasible/viable by DIC Task Force, banks provide to each entrepreneur a composite loan not exceeding Rs. 35,000/- for industrial ventures, Rs. 25,000/- for service ventures and Rs. 15,000/- for small business ventures after conducting pre-sanction appraisal and scrutiny by the bank branches. The release of funds is an ongoing process depending upon the stages of implementation of the projects and consequent requirements of funds. The District Industries Centres (DICs) monitor implementation of the Scheme at district level for each sector of entrepreneurs, namely industry, Service and Business and monthly progress report in respect of applications sanctioned (sector-wise) by the bank branches in district are sent by the latter to the DICs. The monthly progress reports by the DIC to Development Commissioner, Small Scale Industries include information on number of the beneficiaries identified, number of cases sponsored, amount of credit recommended and sanctioned (sector-wise) by the banks as also the number of beneficiaries actually settled. The monthly progress report in this regard is reviewed by the District Advisory Committee of DICs. The progress of implementation of the scheme is also